Lok Sabha Debates

Lok Sabha

Wednesday, August 28, 1991/Bhadra 6,1913 (Saka)

The Lok Sabha met at

Eleven of the Clock

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

[*English*]

Alleged Payment of Commission for getting Supply Order by IDPL

*589. DR. ASIM BALA: Will the PRIME MINISTER be pleased to refer to the reply given to Unstarred Question No. 1404 on March, 5, 1991 and state:

(a) whether any inquiry into alleged payment of commission by the Indian Drugs and Pharmaceuticals Ltd. for getting supply order has since been made;

(b) if so, the findings thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (DR. CHINTA MOHAN): (a) to (c). Yes, Sir. The facts have been ascertained in considerable detail by the Government. I have since asked the Department of Public Enterprises (BPE) to enquire into the matter and advise us for further action.

DR. ASIM BALA: Sir, in my Unstarred Question No. 1404 replied on 5th March, 1991, if the hon. Minister would like to know I can quote that question also that the information asked for was omitted regarding" any order was received by IDPI from National Malaria Eradication Programme (NMEP) during 1988-89. Part a) of my question is: is it a fact that M/s. Neel Madhavan Consultants was also paid a sum of Rs. 5 lakhs by way of commission on supply of 33 million Chloroquin tablets directly by the IDPL to NMEP? And part b) of my question is what are the details of the follow-up work done by M/s. Neel Madhavan which could not be carried out by the IDPL sales organisation at a much cheaper cost than Rs. 5 lakhs?

Sir, the same answer I had already received from the hon. Minister.

DR. CHINTA MOHAN: Sir, the hon. Member had raised an Unstarred Question No. 1404 in March, 1991 and then he had asked for an enquiry. As per his demand, we called for an enquiry from the Bureau of Public Enterprises.

DR. ASIM BALA: Sir, the hon. Minister said that they had called for an enquiry. I want the hon. Minister to declare the terms and conditions of that enquiry to this House. I would like to ask my second supplementary question. To my Unstarred Question No. 1404 which was replied on 5th March, 1991, it was stated that the matter was looked into by the Government. In another Starred

Question No. 424 of 11 April, 1990, it was replied in the same way that the matter will be looked into by the Department of Chemicals and Fertilisers. Even now also he has answered like this. The fact has been ascertained by the Government in considerable details. I would like to point out that every time we are given an assurance, but nothing has been done. So, there is something fishy. The Government funds are being spent in this way due to the mismanagement of the higher officials in the Government. So, I would like to know from the hon. Minister how does the hon. Minister reconcile his statements made in Question Nos. the starred question No. 424 replied on 11.4.90 (Lok Sabha) and Unstarred Question No. 2839 replied on 3.9.90 (Rajya Sabha).

Mr. SPEAKER: The hon. Minister may not have all the previous questions with him.

DR. ASIM BALA: Sir, I have these questions.

Mr. SPEAKER: Please put the questions.

DR. ASIM BALA: I am putting the question, Sir. In reply to an Unstarred Question in Rajya Sabha.....(*Interruptions*)

MR. SPEAKER: No, that is not allowed. please.

DR. ASIM BALA: All right, Sir, I will leave that. Lok Sabha question is also there.

MR. SPEAKER: You make use of the substance in the reply given and frame a question.

DR. ASIM BALA: I am putting the question, Sir. I would like to know from the hon. Minister whether there are any other instances in the IDPL of supplies of IDPL products made directly to any Government or non-government organisation but for which commission has been paid to intermediary without doing any 'follow-up' work.

DR. CHINTA MOHAN: Sir, there are some institutional agents in IDPL and the Hindustan Antibiotics Limited. There are about thirty institutional agents. This is a big factory. There is a very limited number of medical representatives in IDPL. To get more orders and to get the cheques and payments in cash, we have taken the help of the institutional agents and we paid about Rs. 9 lakhs for servicing the contracts for the National Malaria Eradication Programme.

MR. SPEAKER: Shri Dau Dayal Joshi:

DR. ASIM BALA: The answer is not clear, Sir.

MR. SPEAKER: He has said that the institutional agents were there and the commission was paid.

DR. ASIM BALA: Why should commission be paid, Sir?.....(*Interruptions*).

MR. SPEAKER: No, please do not argue like that. You cannot argue like that.

DR. ASIM BALA: You are not listening to me, Sir.

MR. SPEAKER: I cannot. The Minister has to listen

[*Translation*]

SHRI DAU DAYAL JOSHI: I would like to know from the hon. Minister whether it is a fact that IDPL which was set up with the objective of making the availability of medicines easy and at cheap rates to the people in the country has failed in achieving its objective? Is it a fact that Analgin which costs IDPL 2.5 paise per tablet is sold in the market at 25 paise per tablet just to pay commission to the favoured few?

MR. SPEAKER: It is not a general question on IDPL. It concerns the agents that are appointed by this company.

SHRI DAU DAYAL JOSHI: That is what I am saying. Since the company pays commission to their agents, the prices are fixed

arbitrarily, with the result that medicines are not available to the people easily and at cheap prices. penicillin which costs 35 paise per vial is being sold in the market at Rs. 3.25. Therefore, I would like to know whether efforts would be made to slash down the heavy profits in order to fulfil the basic objective of IDPL? Will the prices be brought down by doing away with the Commission?

[*English*]

MR. SPEAKER: Are you in a position to reply?

DR. CHINTA MOHAN: Sir, we can give the competitive rates and prices. It is very difficult to reduce the prices because, as you know, Sir, the cost of production is high.....(*Interruptions*)

MR. SPEAKER: Shri Srikanta Jena.....

(*Interruptions*)

[*Translation*]

SHRI DAU DAYAL JOSHI: Mr. Speaker, Sir, Analgin costs 2.5 paise and Penicillin 35 paise to IDPL, but one vial of Penicillin is being sold at Rs. 3.25. It is gross injustice. May I know the reasons for keeping the price so high when the cost is so low?

[*English*]

SHRI SRIKANTA JENA: Sir, I would like to know from the Minister that the IDPL being a public undertaking and when the public undertaking is supplying medicines to a Government organisation and to different State Governments, why the agents are being appointed and the commissions are being paid. The State Governments' policy is to purchase from IDPL, the Government of India's policy is to purchase directly from the IDPL, and the price is fixed. Then in between why the agents have been appointed any why the commission was paid? This was debated in this House and the hon. Minister, in the Ninth Lok Sabha, had said that the Chairman of the IDPL deliberately appointed some agents with the connivance of the political authority and this has to be cancelled. I would like to know from the Minister whether he is going to pursue the same political authority which was sanctioned to the Chairman that the agents should be continued.

DR. CHINTA MOHAN: Sir, there is a cut-throat competition in the market and there are number of private sector units and number of public sector units which are producting drugs. To get some orders, institutional agents are appointed. If there is any specific reference from the hon. Member which institutional agency is doing fraud, we are ready to cancel it.

SHRI BASU DEB ACHARIA: Sir, I want to confine myself to this particular question. The agent was appointed in violation of the agreement that was finalised and commission was also paid. That is clear. So, why is this particular case-for supply of medicine for National Malaria Eradication Programme-the appointment of agent was required any why the commission was paid?

MR. SPEAKER: He has replied just now.

SHRI BASU DEB ACHARIA: No Sir. He has not replied to this question. How can agents be appointed for supply of medicines when there are sales representatives? Why in this particular case, to supply medicine for National Malaria Eradication Programme, agent was appointed? I want to know whether it was a violation of the agreement or not.

DR. CHINTA MOHAN: The agent was appointed in 1989-90; not by this Government. (*Interruptions*)

Price rise after Budget

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*590. SHRI SUDHIR GIRI:
SHRI K. THULASIAH VANDAYAR:

Will the PRIME MINISTER be pleased to state: